

DEPARTMENT OF THE ARMY KANSAS CITY DISTRICT, CORPS OF ENGINEERS 635 FEDERAL BUILDING 601 E 12TH STREET KANSAS CITY MO 64106-2824

May 28, 2014

Regulatory Branch (NWK-2014-00195)

Mr. Christopher Leiker Black Tea Oil, L.L.C. 1101 Centennial Boulevard Hays, Kansas 67601

Notice of Violation

Dear Mr. Leiker:

This letter concerns Black Tea Oil, L.L.C.'s unauthorized placement of fill material into and below the ordinary high water mark of the Smoky Hill River to facilitate oil drilling activities. The activity is located in the Smoky Hill River in Sections 27, 28, & 29, Township 14 south, Range 32 west, in Logan County, Kansas. Mr. Luke M. Cory of our Kanopolis Regulatory Field Office inspected these sites on February 27, 2014 and March 19, 2014. We have determined that this work was done in Corps of Engineers regulatory jurisdiction without the required authorization.

The Corps of Engineers has jurisdiction over all waters of the United States, as they are defined at Title 33 of the Code of Federal Regulations (C.F.R.) at Part 328. Discharges of dredged or fill material in waters of the United States, including wetlands, require prior authorization from the Corps under Section 404 of the Clean Water Act (Title 33 of the United States Code at Section 1344). The implementing regulation for this Act is found in 33 C.F.R., at Parts 320-332. Therefore, in accordance with Part 326 of this regulation, you and all others involved are directed to do no further unauthorized work in Corps jurisdiction.

We are currently evaluating the extent of work done within Clean Water Act jurisdiction to determine the appropriate action to pursue on this unauthorized project. We may accept an after-the-fact permit application; however, the permit could be denied or restorative measures could be required after completion of a public interest review of the activity. Also, we could take enforcement action by referral to the Environmental Protection Agency, through an administrative penalty process or by a legal process initiated by the Corps through the United States Attorney, which could result in civil or criminal penalties. In either event, we will notify you of any decisions concerning this case.

If you have any questions please feel free to write me or contact Mr. Luke M. Cory at 785-546-2130, or by email at luke.m.cory@usace.army.mil.

Sincerely,

Mark D. Frazier Chief, Regulatory Branch Operations Division the say